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# Monthly CAT Update

February 16, 2022

# Agenda

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- Transaction Production Statistics
- Transaction Interpretive Updates
- Transaction Technical Specifications Updates
- CAIS Reporting Updates
- Compliance Updates
- Upcoming Industry Webinars and Other Updates
- Q&A

# Transaction Production Statistics

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Overall error rates remain generally well under 5%. The detailed daily statistics will be provided as an appendix when this presentation is published on the CAT website.

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# Transaction Interpretive Updates

# Transaction FAQs

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- ▶ One New Transaction [FAQ](#):
  - New FAQ [K24](#) regarding use of the 'FB' handlingInstructions value
- ▶ Two Updated Transaction FAQs
  - Updated FAQ [D33](#) to include CBOE Exchange, Inc.'s new Curb session
  - Updated FAQ [H4](#) to remove references to FINRA Rule 4554.

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# Transaction Technical Specifications Updates

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# 2022 IM Releases – Scope and Schedule

## Release 1

Spec Publication – 12/20/2021  
Industry Test Release – 2/7/2022  
Production Release – 3/21/2022

### Phase 2d cleanup - Schema changes and related validations

- Add *multiLegInd* to route modify/cancel events to eliminate unlinked errors
- Change data type for *handlingInstructions* value DLVT from Text to an array to support storage of multiple values
- Enforce requirements to populate *deptType* on MLOA event
- Enforce requirements to populate *clearingFirm* on MOOT event

### Change Requested by IMs

- Add *firmDesignatedID* and *accountHolderType* to MEOTS event

## Release 2 - Final Scope - TBD

Spec Publication – 3/25/2022  
Industry Test Release – 5/16/2022  
Production Release – 7/11/2022

### Schema changes and related validations

- Add *accountHolderType* to allocation events
- Remove TIDType from allocation events

### CAIS related validations

- Validate FDID against CAIS data

### Validations to address IM reporting errors

- Reject negative values in *price* for applicable events
- Enforce correct values on *side* field in Trade Side Details

## Release 3 - Final Scope - TBD

Spec Publication – 7/15/2022  
Industry Test Release – 10/10/2022  
Production Release – 12/5/2022

### Schema changes and related validations

- Add new event - **MLOE**
- Enforce requirements to populate *cancelQty*, *multiLegInd* on applicable events
- Change data type for *handlingInstructions* value CASH from Text to Price to capture actual monetary value instruction

# 'DLVT' *handlingInstructions* Value

- DLVT – OTC Link ATS Message deliver to Instruction
- Current Data Type is Text and supports reporting of multiple IMIDs, but it does not support storage of multiple IMIDs
- Effective **2/7/22 in Industry Test** and **3/21/22 in Production**, Industry Members must report this *handlingInstructions* value as an array to ensure CAT stores all IMIDs. Submissions in text format will be rejected at Ingestion. Example of expected submissions:

	<u>handlingInstruction</u>	Result	Value stored
csv	DLVT=MM1@MM2@MM3 MAX	Accept	DLVT=MM1@MM2@MM3 MAX
json	{"DLVT":["MM1","MM2","MM3"],"MAX":true}	Accept	DLVT=MM1@MM2@MM3 MAX

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# CAIS Reporting Updates

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# Industry Member Release Rollout

## Full CAIS Release 1

Industry Test – 1/31/2022

Production – 4/25/2022

### Ingestion

- Industry Test Open for Machine-to-Machine File & Data Integrity Validations, Material Inconsistencies, and Feedback
- Feedback file contains up to 1,000 Rejections

### CAIS Reporter Portal

- Manual File Upload
- Manual Submission
- Submission Feedback
- Inconsistencies Feedback
- Nightly Inconsistencies Report

**Full CAIS Certification**  
opened on 2/1/2022

## Full CAIS Release 2

Industry Test – 3/28/2022

Production – 4/25/2022

### Ingestion

- New DRIVERLICENSE Foreign TID Type
- EIN Validation changed to format validation
- Full Data Replacement
- Feedback file enhanced to include all Rejections feedback

### CAIS Reporter Portal

- FDID Reconciliation Report updated with Full CAIS information (count of CAT Customers and Version information)

## Full CAIS Release 3

Industry Test – 5/25/2022

Production – 6/12/2022

### Reports

- FDID Version Report posted to SFTP weekly, containing active LTID Phase FDIDs not updated to Full CAIS Phase

### CAIS Reporter Portal

- FDID Version Report available on-demand, containing active LTID Phase FDIDs not updated to Full CAIS Phase

## Full CAIS Release 4

Industry Test – 8/29/2022

Production – 9/12/2022

### Ingestion

- New INACTIVE FDID End Reason

Automated Transfer Procedure

# Full CAIS Production Certification

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- ▶ Production Certification for Full CAIS is open.
- ▶ The deadline for Production Certification is June 20, 2022.
- ▶ Certification after June 20, 2022 may delay access to the Full CAIS Production Environment.

# CAIS Upcoming Key Dates

Topic	Event	Date
Industry Webinar	Bi-weekly CAIS Industry Testing Checkpoint Calls	Bi-weekly starting February 23, 2022
Production Release	Production Environment Opens for Full CAIS	April 25, 2022
Production Certification	Full CAIS Certification Deadline	June 20, 2022
Compliance Go-Live	Production Go-Live for Full CAIS Reporting Requirements	July 11, 2022

Compliance dates are listed in the [Timeline](#)

# New and Updated CAIS FAQs

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- ▶ One New CAIS [FAQ](#):
  - FAQ [Q57](#) regarding a CAT Customer with multiple identifiers who is associated to a single account
- ▶ Two CAIS [FAQs](#) were updated to conform with other published guidance:
  - Updated FAQ [Q7](#) regarding reporting Sensitive Identifiers, dates of birth and account numbers to CAIS
  - Updated FAQ [Q27](#) to include Full CAIS details

# CAIS Updates

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- ▶ V2.2.1 of the [Industry Member CAIS Reporting Scenarios](#) (clean and redlined) was published on February 4, 2022.
- ▶ V2.0.0 of the [Industry Member CAIS Reporter Portal User Guide](#) was published on January 26, 2022.
- ▶ Updated [CAT Alert 2021-04-Phase 2e: Transitioning from LTID Account Phase to Full CAIS Phase](#) was published on February 3, 2022.
- ▶ New [Small Firm Roadmap to July 11, 2022](#), document was published on February 8, 2022, to assist Small Industry Members with meeting their CAT CAIS reporting obligations.

# CAIS Webinars

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- ▶ Consolidated Audit Trail, LLC and FINRA CAT, LLC will host a [Full CAIS 101](#) webinar on Tuesday, March 1 at 9:15 am ET. This webinar is designed for Industry Members that may be new to, or less familiar with, the Full Customer and Account Information System (“CAIS”) and will provide an introduction to the reporting requirements, timelines and mechanics of Full CAIS.
- ▶ CAIS Industry Testing Checkpoint Calls:
  - The next [CAIS Industry Testing Checkpoint Call](#) will be on February 23, 2022, at 4:15 pm ET.
  - The presentation and recording for the [02/09/2022 CAIS Industry Testing Checkpoint Call](#) is available on the CAT website.

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# Compliance Updates

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# 2022 Annual Clock Synchronization Certification

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- ▶ Industry Members must complete an annual certification for Business Clock Synchronization by March 15th of each year.
- ▶ Industry Members are not required to submit such certifications to the exchanges or FINRA. Instead, originals of such certifications must be maintained by Industry Members as part of their books and records and be available to regulators upon request. Industry Members who are members of multiple Participants need only make a single clock synchronization certification.
- ▶ Please see the [Certification Form](#).
- ▶ The [Requirements Announcement](#) is also posted to the [Clock Synchronization](#) page of the CAT [website](#).

# Industry Member Report Card Updates

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- ▶ The January 2022 CAT Industry Member Compliance Report Cards were published on February 15, 2022.
- ▶ The December 2021 Industry Member Compliance Transaction Report Cards were republished on February 11, 2021 following the resolution of data issues impacting the Report Card. These data issues can be viewed on the [Industry Member Report Card- Known Issues List](#).
- ▶ Other Resources:
  - [Industry Member Report Card- Known Issues List](#)
  - [CAIS Compliance Glossary](#)
  - [Transaction Compliance Glossary](#)
  - Previously Recorded and Posted [Report Card Webinars](#)

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# Upcoming Industry Webinars and Other Updates

# Industry Webinars

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- ▶ Upcoming:
  - The next Monthly CAT Update will be held on [March 16, 2022](#) at 4:15 pm ET

# Other Updates

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- ▶ V1.20 of the Updated [Industry Member Onboarding Guide](#) was published on January 26, 2022.
- ▶ The [ATS NBBO Source Change Form](#) was recently updated to remove references to FINRA Rule 4554.
- ▶ The presentation and recording for the [02/02/2022 CAT Processing Update Call](#) is available on the CAT website.

# FINRA CAT Helpdesk

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Questions may be directed to the FINRA CAT Helpdesk at 888-696-3348 or [help@finracat.com](mailto:help@finracat.com)

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**Q&A**

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# How to Ask a Question during Today's Call

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- **For participants using computer audio:**
  - Click the “Raise Hand” button at the bottom of the participants window.
  - A visual prompt will indicate that your line has been unmuted.
- **For participants using phone audio:**
  - Enter \*9 on your phone keypad.
  - An audio prompt will indicate that your line has been unmuted.

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# Appendix

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# Equities – Production Statistics

## Initial T+1 vs. T+5 8 am Data Ready for Regulators

### January 13, 2022 – February 09, 2022

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Trade Date	Late%	Rejection Initial	Rejection Adjusted	Intrafirm Initial	Intrafirm Adjusted	Interfirm Sent Initial	Interfirm Sent Adjusted	Interfirm Received Initial	Interfirm Received Adjusted	Exchange Initial	Exchange Adjusted	Trade Initial	Trade Adjusted	Overall Error Rate Initial	Overall Error Rate Adjusted
1/13/2022	1.0532%	.0006%	.0001%	.0239%	.0035%	.0092%	.0078%	1.7862%	.0136%	.0010%	.0008%	1.5901%	1.5631%	1.2589%	1.0592%
1/14/2022	.0034%	.0007%	.0002%	.0036%	.0032%	.0812%	.0802%	.0433%	.0216%	.0013%	.0011%	1.4944%	1.4921%	.0207%	.0175%
1/18/2022	.0393%	.0036%	.0005%	.0039%	.0035%	.0126%	.0080%	.0175%	.0130%	.0014%	.0012%	2.2146%	2.1937%	.0506%	.0462%
1/19/2022	.0017%	.0013%	.0001%	.0054%	.0032%	.0167%	.0127%	.0244%	.0160%	.0012%	.0010%	1.4573%	1.4337%	.0122%	.0080%
1/20/2022	.0029%	.0017%	.0001%	.0074%	.0031%	.0183%	.0176%	.0270%	.0228%	.0012%	.0010%	1.4169%	1.3946%	.0159%	.0106%
1/21/2022	1.5141%	.0004%	.0001%	.0032%	.0028%	.3378%	.3356%	.1681%	.0609%	.0046%	.0032%	1.4148%	1.3798%	1.5686%	1.5570%
1/24/2022	8.1278%	.0325%	.0323%	.0146%	.0027%	13.5026%	2.4798%	4.2844%	1.2436%	6.4112%	.0006%	1.5879%	1.5548%	10.5296%	8.3218%
1/25/2022	3.9214%	.0012%	.0009%	.0040%	.0032%	.0143%	.0125%	4.0517%	.0377%	6.9588%	.0007%	1.3704%	1.3370%	5.3025%	3.9300%
1/26/2022	5.4715%	.0025%	.0021%	.0629%	.0164%	1.1558%	.1723%	6.2903%	.2107%	6.7537%	.0021%	1.3804%	1.3637%	7.1332%	5.4657%
1/27/2022	6.0282%	.0007%	.0003%	.0044%	.0031%	2.1570%	.0107%	4.7566%	.5579%	6.5255%	.0061%	1.3946%	1.3816%	7.6274%	6.0872%

# Equities – Production Statistics

## Initial T+1 vs. T+5 8 am Data Ready for Regulators

### January 13, 2022 – February 09, 2022

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Trade Date	Late%	Rejection Initial	Rejection Adjusted	Intrafirm Initial	Intrafirm Adjusted	Interfirm Sent Initial	Interfirm Sent Adjusted	Interfirm Received Initial	Interfirm Received Adjusted	Exchange Initial	Exchange Adjusted	Trade Initial	Trade Adjusted	Overall Error Rate Initial	Overall Error Rate Adjusted
1/28/2022	.0201%	.0005%	.0004%	.0036%	.0034%	.0322%	.0076%	.0392%	.0155%	.0185%	.0006%	1.3675%	1.3284%	.0334%	.0259%
1/31/2022	.0033%	.0008%	.0006%	.0045%	.0038%	.0092%	.0080%	.0165%	.0129%	.3548%	.0006%	1.9611%	1.9347%	.0606%	.0102%
2/1/2022	.4482%	.0007%	.0005%	.0021%	.0013%	.0076%	.0065%	.8805%	.0117%	.0007%	.0007%	1.5519%	1.5073%	.5410%	.4525%
2/2/2022	.0690%	.0008%	.0006%	.1539%	.1513%	.3147%	.1994%	.2457%	.2210%	.0024%	.0006%	1.5412%	1.5008%	.2390%	.2224%
2/3/2022	.0162%	.0006%	.0003%	.0056%	.0053%	.0076%	.0068%	.0169%	.0114%	.0007%	.0007%	1.6975%	1.6785%	.0247%	.0236%
2/4/2022	.0004%	.0006%	.0003%	.0057%	.0055%	.0087%	.0077%	.0308%	.0290%	.0007%	.0007%	1.5998%	1.5937%	.0102%	.0095%
2/7/2022	.2912%	.0007%	.0003%	.0056%	.0053%	.3155%	.0070%	.3570%	.0160%	.0006%	.0006%	2.0988%	2.0795%	.3647%	.2985%
2/8/2022	.2287%	.0013%	.0003%	.0059%	.0050%	.0073%	.0064%	.0193%	.0165%	.0006%	.0006%	1.5447%	1.5247%	.2380%	.2360%
2/9/2022	.0034%	.0008%	.0005%	.0068%	.0065%	.0154%	.0098%	.0270%	.0180%	.0014%	.0007%	1.4912%	1.4457%	.0148%	.0129%

# Options – Production Statistics

## Initial T+1 vs. T+5 8 am Data Ready for Regulators

### January 13, 2022 – February 09, 2022

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Trade Date	Late%	Rejection Initial	Rejection Adjusted	Intrafirm Initial	Intrafirm Adjusted	Interfirm Sent Initial	Interfirm Sent Adjusted	Interfirm Received Initial	Interfirm Received Adjusted	Exchange Initial	Exchange Adjusted	Trade Initial	Trade Adjusted	Overall Error Rate Initial	Overall Error Rate Adjusted
1/13/2022	.0519%	.0033%	.0013%	.0670%	.0636%	.3301%	.2879%	.2599%	.1528%	.0282%	.0129%	1.0728%	1.0728%	.0799%	.0687%
1/14/2022	.0115%	.0036%	.0016%	.0530%	.0499%	.2989%	.2911%	.4550%	.1484%	.0243%	.0109%	1.0687%	1.0687%	.0735%	.0598%
1/18/2022	.0058%	.0154%	.0026%	.0705%	.0671%	.3081%	.3002%	.2800%	.1697%	.0339%	.0193%	1.7956%	1.7361%	.0938%	.0724%
1/19/2022	.1187%	.0035%	.0023%	.0656%	.0604%	.2866%	.2785%	.2690%	.1461%	.0296%	.0292%	1.1024%	1.0928%	.1888%	.1810%
1/20/2022	.0047%	.0035%	.0020%	.0587%	.0511%	.2842%	.2768%	.2715%	.1368%	.0268%	.0263%	1.2060%	1.2015%	.0681%	.0581%
1/21/2022	.0220%	.0028%	.0027%	.0615%	.0565%	.3808%	.3711%	.3231%	.1737%	.0261%	.0048%	1.2869%	1.2744%	.0888%	.0767%
1/24/2022	5.9880%	.0023%	.0018%	.0464%	.0461%	1.7341%	1.7315%	.3290%	.2005%	.0198%	.0051%	1.1727%	1.1500%	6.0573%	6.0508%
1/25/2022	.0623%	.0030%	.0008%	.0777%	.0769%	.3092%	.2584%	.2059%	.1308%	.0231%	.0116%	1.0287%	1.0022%	.0871%	.0793%
1/26/2022	.2948%	.0126%	.0118%	.0754%	.0743%	1.1176%	.6478%	.7188%	.3639%	.0723%	.0611%	1.2619%	1.0697%	.3981%	.3798%
1/27/2022	1.2995%	.0016%	.0014%	.5654%	.4769%	.4386%	.4267%	.7329%	.4885%	.0303%	.0177%	1.0034%	.9861%	1.7524%	1.6776%

# Options – Production Statistics

## Initial T+1 vs. T+5 8 am Data Ready for Regulators

### January 13, 2022 – February 09, 2022

---

Trade Date	Late%	Rejection Initial	Rejection Adjusted	Intrafirm Initial	Intrafirm Adjusted	Interfirm Sent Initial	Interfirm Sent Adjusted	Interfirm Received Initial	Interfirm Received Adjusted	Exchange Initial	Exchange Adjusted	Trade Initial	Trade Adjusted	Overall Error Rate Initial	Overall Error Rate Adjusted
1/28/2022	.0337%	.0016%	.0009%	.0529%	.0521%	.3994%	.2725%	.2604%	.1635%	.0202%	.0015%	1.2997%	1.2597%	.0905%	.0807%
1/31/2022	.0070%	.0011%	.0007%	.0347%	.0341%	.2940%	.2860%	.3029%	.2192%	.0121%	.0031%	.8355%	.8200%	.0474%	.0426%
2/1/2022	.0030%	.0017%	.0005%	.0491%	.0483%	.2467%	.2386%	.2505%	.1712%	.0099%	.0013%	.6878%	.6752%	.0521%	.0466%
2/2/2022	.0031%	.0009%	.0009%	.1722%	.1700%	1.2454%	1.2215%	.2932%	.2694%	.0072%	.0072%	1.4472%	1.0296%	.1595%	.1571%
2/3/2022	.0073%	.0018%	.0005%	.0781%	.0763%	.3034%	.2944%	.2491%	.2444%	.0118%	.0021%	.6908%	.6908%	.0806%	.0752%
2/4/2022	.0023%	.0007%	.0003%	.0563%	.0557%	.3545%	.3485%	.2859%	.1622%	.0052%	.0016%	.6343%	.6343%	.0574%	.0532%
2/7/2022	.6956%	.0062%	.0008%	.0657%	.0593%	1.0760%	.3074%	.6097%	.3926%	.0190%	.0018%	.9095%	.9095%	.7857%	.7533%
2/8/2022	.0105%	.0023%	.0006%	.0591%	.0567%	.3100%	.3034%	.1482%	.1456%	.0143%	.0016%	.6677%	.6677%	.0685%	.0617%
2/9/2022	.0116%	.0046%	.0026%	.0578%	.0553%	.3509%	.3458%	.1683%	.1670%	.0408%	.0281%	.9337%	.9166%	.0786%	.0715%